



**McGregor W. Scott**  
United States Attorney  
Eastern District of California

*Sacramento*  
501 I. Street, Ste 10-100  
Sacramento CA 95814  
Tel:(916) 554-2700  
TTY:(916) 554-2855

**NEWS RELEASE**

*Fresno*  
1130 O. Street, Rm 3654  
Fresno, CA 93721  
Tel:(559) 498-7272  
TTY:(559) 498-7499

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Contact: Patty Pontello, 916-554-2706  
<http://www.usdoj.gov/usao/cae>

**DEFENDANT SENTENCED TO 25 YEARS FOR CHILD EXPLOITATION.  
TIP TO WOODLAND P.D. BY ASTUTE WAL-MART  
PHOTO EMPLOYEES MAKES CASE**

SACRAMENTO - United States Attorney McGregor W. Scott and Woodland Police Chief Carey F. Sullivan announced today that STEVEN MICHAEL KELLY, 42, formerly of Reno, Nevada was sentenced by United States District Judge Frank C. Damrell, Jr. to 25 years in federal prison for manufacturing child pornography, and transporting a minor across state lines for purposes of exploiting the minor. KELLY was also ordered to serve 10 years of supervised release, to register as a sex offender, and to provide a DNA sample.

This case is the product of an extensive/joint investigation by the Woodland Police Department and the Federal Bureau of Investigation.

On August 13, 2004, employees of the Woodland Wal-Mart photo department alerted the Woodland Police Department that KELLY had dropped off film appearing to depict child pornography. When KELLY returned to retrieve his processed film, he was contacted by Woodland Police Department officers. Initially, he falsely indicated that the young girl in the photographs was his nine year old niece. KELLY provided consent to the officers to search his commercial truck, located in the parking lot, which he drove professionally. Inside the truck, officers located a computer and numerous CDs later determined to contain in excess of 600 images, and over 100 video files, of child pornography.

According to court documents, KELLY stated that the girl depicted in the photographs was an Arizona girlfriend's nine-year-old niece. KELLY indicated that he drove the girl and her five-year-old brother from their home in Glendale, Arizona to Anaheim, California two weeks earlier to take them to Disneyland. During the same interview, he stated that on his rounds as a truck driver, it was common practice for him to make stops, hook up his laptop to the internet, and exchange child pornography. KELLY also admitted that he had served five years in prison in Arizona in the early 1990s for molesting a child. Due to the nature of the charges, the Woodland Police Department contacted the F.B.I. for assistance in the investigation.

A later search of KELLY's truck revealed a secret compartment, containing two videotapes. Analysis by the F.B.I. revealed extensive footage of KELLY molesting and orally copulating the young girl, while she was apparently drugged, at a motel in Anaheim, California.

KELLY was indicted in the Eastern District of California for possession and transportation of child pornography on August 26, 2004. At the request of the Eastern District, the Central District of California indicted KELLY on December 15, 2004 for two counts of manufacturing the child pornography, and one count of transporting the minor from Arizona to California for purposes of committing a lewd act. In both sets of indictments, KELLY's prior conviction was alleged, triggering a mandatory minimum punishment under the PROTECT Act of 25 years federal incarceration for manufacturing child pornography.

Under Federal Rules of Criminal Procedure 20, and with the consent of the defendant and the United States Attorney's Office for the Central District of California, all charges against KELLY were resolved before Judge Damrell in the Eastern District. In exchange for pleading guilty to transporting the minor across state lines from Arizona to California, and one count of manufacturing child pornography, and admitting the prior conviction, all remaining charges were dismissed.

The lead prosecutor on the case was the First Assistant United States Attorney for the Eastern District of California, Lawrence Brown. The Central District indictment was brought by Assistant United States Attorney Richard Lee, of the Anaheim Branch Office for the Central District of California.

Stated United States Attorney Scott, "A foremost responsibility of the justice system is to protect our children from those who would prey on them. The defendant's unconscionable behavior, and his criminal past, warrant the severe punishment handed down today."

Said Woodland Police Chief Sullivan, "To best protect our children, all of us in society must be on guard. The staff at Wal-Mart in Woodland are to be commended for their alertness and good citizenship. Without their efforts, it is likely this repeat offender would still be on the streets today."

During a news conference announcing the sentencing, United States Attorney Scott and Chief Sullivan presented a certificate of appreciation to one of the two employees who alerted Woodland Police Department, Caleb Barrus.

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